GOVERNMENT OF INDIA
CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1179
ANSWERED ON:02.03.2000
RECOMMENDATION OF MAHAJAN COMMITTEE
KANTI SINGH;RAGHUVANSH PRASAD SINGH;RAJ NARAIN PASSI

Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government have considered the recommendations of the Mahajan Committee set up to High Powered Committee set up to study the laws and regulations governing the Sugar industry in the country; (

(b) if so, the details of its recommendations alongwith the recommendations accepted by the Government; (

(c) the reasons for not accepting the remaining recommendations thereof; and

(d) the time by which these recommendations are proposed to be implemented?

Answer

MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI V. SREEI PRASAD)
(a) & (b) : The High Powered Committee under the Chairmanship of Shri B.B. Mahajan has given 141 recommendations on various aspects of sugar economy. The major recommendations of the Committee are as under:

(i) Reservation of sugarcane areas for mills should be on a permanent basis.

(ii) Industrial licensing provisions should continue and the minimum distance between two sugar mills should be resorted to the previous level of 25 kms.

(iii) Complete de-control of prices of sugar. Supply of sugar through PDS may be discontinued on expiry of two years.If the Government wishes to continue supply of sugar through PDS, it may purchase the required quantity from the industry or trade.Control on releases should continue even after complete decontrol of prices.

(iv) Sugarcane prices be determined by a Statutory Sugarcane Pricing Board.
2. Of the above major recommendations of the Committee, Government has, so far, taken the following decision.
i) Although the Mahajan Committee has recommended continuance of licensing policy with some modifications, Government has not agreed with the recommendations of the Mahajan Committree and has decided to delicense the sugar industry. Further, Government has also not agreed with the recommendations of the Mahajan Committee to increase the spatial distance between the two sugar units to 25 kms. and has decided that the present distance limit of 15 kms would continue to be observed.
ii) As regards decontrol of sugar, Government has decided to lower the levy obligation on domestic producers of sugar from 40% to 30% with effect from 1.1.2000.

(c) & (d): the remaining recommendations of the Committee are being processed in consultation with State Governments, Planning Commission and other concerned Departments of the Central Government and decision on them would be taken shortly.